

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

February 6, 2004

IN RE:)	
)	
PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS)	DOCKET NO.
CERTIFICATE OF CONVENIENCE AND NECESSITY)	03-00544

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman Deborah Taylor Tate, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on January 5, 2004 to consider the Petition (the "Petition") of On-Site Systems, Inc ("On-Site" or the "Company") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as Paris Landing in Henry County, Tennessee.

Legal Standard for Granting CCN

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining the approval of the TRA. The procedure for obtaining such approval is outlined in Tenn. Code Ann. § 65-4-201(a), which reads in pertinent part as follows:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator

thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate .

Background

On April 6, 1994, On-Site received a CCN in Docket No 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On October 2, 2003, On-Site filed its Petition to amend its CCN to expand its service area to include Paris Landing. A map showing the area to which On-Site proposes to extend service is attached to its Petition. On-Site filed a rate schedule with its Petition in this docket which states that residential rates for Paris Landing will be as follows

Total monthly charge	\$35.11 ¹
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the TRA in Docket No. 99-00393

In its Petition, On-Site contends that neither Henry County nor Northeast Henry County Utility District ("NEHCUD") have the desire or ability to provide wastewater service to Paris Landing. In support of this contention, On-Site submitted a letter dated August 4, 2003 from Brent Greer, Henry County Mayor, stating that Henry County does not provide sewer service and has no plans to provide sewer service to the Paris Landing area. On-Site also submitted a

¹ In those instances where Lagoon Treatment is used the charge is \$30.98 per month

October 31, 2003 letter from Paul Mathenia, Chairman of the Board for NEHCUD, stating that the Utility District has no plans to offer sewer service in the Paris Landing area Mr. Mathenia further states that the Utility District is not surrendering its right to install a sewer system in this area in the future.

January 5, 2004 Authority Conference

The Directors of this voting panel considered On-Site's Petition at the regularly scheduled Authority Conference held on January 5, 2004 During the Conference the panel voted unanimously to approve the Petition.

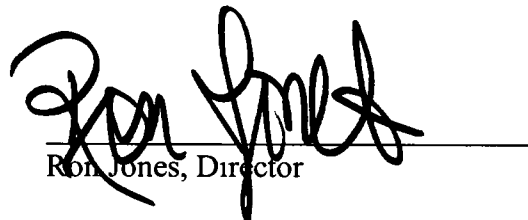
IT IS THEREFORE ORDERED THAT:

1 The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as Paris Landing in Henry County, Tennessee, as shown in the map attached to the Petition, is approved.

2 On-Site's rates for wastewater service to Paris Landing shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order


Deborah Taylor Tate, Chairman


Sara Kyle, Director


Ron Jones, Director